



# WARNING STATEMENTS

version as at November 2024

## Warning Statement

This Warning Statement is provided to you in accordance with Regulation 22 of the Financial Service Providers (Registration) Reg 2020, and should be read in conjunction with Long Bridge Securities Limited as following:-

- Client Agreement
- Disclaimer
- Disclosure Statement
- Privacy Policy
- Risk Disclosure

While this **Warning Statement** cannot and does not identify and explain all of the risks associated with Long Bridge Global (“we”, “us”, “our” “ours” and “ourselves” as appropriate) when offering the trading services, you should refer to the above documents, along with this Warning Statement, of which establishing our business relationship with you.

- You *should not* commence trading with us unless you have read and understood the above documents to ensure that you have a comprehensive understanding of how our trading services may function in different jurisdictions.

The trading services<sup>1</sup> is made available through this platform / facility are offered to you in reliance on the New Zealand register of Financial Service Provider, Long Bridge Securities Limited as broking and custodian service, thus does not provide with wealth management or derivatives issuer services, etc.

Our trading service is execution-only. This means that we carry out your trading instructions. We do not provide you with any investment advice. Your commencing trading exclusively and entirely at your own risk.

- a) You should carefully consider whether such trading is suitable for you in light of your knowledge and understanding, experience in financial and business matters, investment objectives, financial resources and other relevant circumstances. In considering whether to begin trading, you should be aware of the following:-

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<sup>1</sup> The trading services include an “overseas-listed investment product” in this Warning Statement refers to the risks associated with Trading / Investing in Capital Markets Products

Page 2 Long Bridge Securities Limited, is part of the Long Bridge Global, a company incorporated in New Zealand, (6551392), a registered Financial Service Provider (FSP600050) at its operating address level 4, 19 Great South Road, Epsom, Auckland 1051, having membership of Dispute Resolution Scheme, DOES NOT mean that Long Bridge Securities is subject to active regulation or oversight. LongBridge Securities is not licensed by a New Zealand regulator to provide the custodial services.

### **Trading Facilities and Electronic Trading/Mobile Broking**

- 1) Our electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As will all technology infrastructure cutting edge systems, including powered by AI, and they are vulnerable to temporary cyber attacks, disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the one or more parties, namely the system provider, the market, the clearing house. Such limits may vary.
- 2) Constant changes in, or the introduction of new, rules, regulations and laws or the way in which they are applied or interpreted may impact your trading with us. For instance, overseas markets may also have different periods for clearing and settling transactions

### **Electronic Trading / Mobile Broking**

- 3) If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or not executed at all.

### **Trading / Investing in Capital Markets Products**

- 4) Our trading services involve a high degree of gearing or leverage. Beside securities transfer, for the majority of the trades you place with us, you will be required to deposit a relatively modest proportion of the overall contract value to open the trade. This can work for and against you as a relatively small movement in the price of the funds instrumental being traded can have a disproportionate effect on your trade. This may result in you achieving a good profit but equally may result in your incurring significant losses. These losses may be in excess of the fund you have deposited with us, the prescribed entity bank in Hong Kong.
- 5) It is your responsibility to monitor your account at all times as your positions due to the rapid pace at which profits or losses can be incurred. For instance, you should always be in a position to access and manage your account if you have working orders and open trades. We may rectify mistakes, but only if you notify us as soon as practical and in any event within 24 hours of the trade.

- 6) You must know and understand one or more of your trades may be affected by a corporate action type event, the occurrence of which may have a dramatic effect on that trade(s) on your account generally. Please ensure conducting due diligence into whether the trade that you intend to open is liable to be subject of a corporate action type event and if so, the likelihood of that action on trade you intend to open.
- 7) You must understand the price and value of any investment in capital markets and the income, if any, from them can fluctuate and may fall against your interest. An individual security may experience downward price movements and may under some circumstances even become valueless resulting in your losses, rather than profit made, during the process of buying and selling such products.

#### **Margin trading (e.g. share margin financing)**

- 8) You may be required to deposit additional funds into your account at short notice in order to support working orders and open trades. A failure to deposit additional funds when required to do so or within the prescribed time, may result in all of your working orders cancelled and open trades being closed by us without notice to you. You should carefully consider whether such financing arrangement is suitable in light of your personal financial position and investment objectives.

#### **Initial Public Offerings (IPO)**

- 9) Before making any investment decision, you should consult your financial adviser and read the prospectus for detailed information about the company and proposed offering, whether or not to invest in the securities concerned. Submission of an application through this channel does not entitle you to any advantage in the share allocation process, and in particular, it does not guarantee the application a valid or a successful application. You must understand that the Company, the listing company or the Underwriters' Representative, or their respective agents have full discretion to reject or accept any application, in full or in part, without assigning any reasons.

#### **Trading on HK Pre-IPO Market**

- 10) You should only undertake trading on the OTC trading facilities known as "Pre-IPO Trading" provided to you if you understand the nature of such trading and such trading facilities and the extent of your exposure to risks. If in doubt, you should seek independent professional advice. Settlement of the relevant transactions is not guaranteed and you will be responsible for any losses or expense resulting

from your and/or your counterparty's settlement failures. The prices of Securities traded on Pre-IPO Trading may differ significantly on the Exchange. The prices displayed on Pre-IPO Trading may not reflect the prices in other concurrently operating automated trading system dealing in the same Securities.

### **Transactions in other jurisdictions**

- 11) Before you trade, you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of the regulatory authorities or markets in other jurisdictions where your transactions will be effected. You should ask the FinTech brokerage firm with which you conduct your transactions for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you commence trading.
  - Some jurisdictions may restrict the amount or type of investment products that foreign investors may trade. This can affect the liquidity and prices of the overseas-listed investment products that you invest in.

### **Commission, other Charges and Currency risks**

- 12) You may have to pay additional costs such as fees, commissions for transactions in overseas exchanges. Before you commence to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit, if any, or increase your loss.
- 13) There may be tax implications of investing in an overseas-listed investment products as the sale proceeds or the receipt of any dividends and other income may be subject to tax levies, charges in New Zealand, in foreign country, or in both countries.
- 14) Your investment return, i.e. the potential for profit or loss, on foreign currency-dominated investment products will be affected by foreign exchange rate fluctuations where there is a need to convert from the currency of denomination of the investment products to another currency, or may be affected by exchange controls.

### **Foreign correspondent broker risks**

- 15) Transactions on overseas exchanges or overseas markets are generally effected by us through the use of foreign brokers who have trading and/or clearing rights on those exchanges. All executions that are executed upon your instructions with such counterparties and correspondent brokers are dependent on their respective due performance of their obligations. The insolvency or default of such correspondent brokers may lead to positions being liquidated or closed out without your consent and/or may result in difficulties in recovering your monies and securities held overseas.

### **Political, Economic and Social Development**

- 16) Overseas markets are influenced by the political, economic and social developments in the foreign jurisdictions, which may be uncertain and may increase the risk of investing in overseas-listed investment products.

### **Foreign Regulatory Regimes**

- 17) Overseas markets may be subject to different regulations and operates differently from approved registered banks and registered Financial Service Provider in New Zealand. For example, there may be different rules providing for the safekeeping of Client Money<sup>2</sup> and securities of which may affect the level of safeguards in place to ensure proper segregation and safekeeping of your funds or securities being held overseas.
- Our custodial services are provided by LongBridge Securities' sub-custodians, Affiliates
  - These may affect the information available to you regarding transaction prices and the time you have to settle your trade on such overseas markets.
- 18) Overseas markets may be subject to rules which may offer different investor protection as compared to New Zealand. Before you commence to trade, you should be fully aware of the type redress under the New Zealand Dispute Resolution Scheme and other relevant jurisdictions. It may be more difficult if the redress and information only be available in a foreign language.

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<sup>2</sup> Section 6 “Client money or property service” of the Financial Markets Conduct Act 2013 version as at 27 October 2024. Page 6 Long Bridge Securities Limited, is part of the Long Bridge Global, a company incorporated in New Zealand, (6551392), a registered Financial Service Provided (FSP600050) at its operating address level 4, 19 Great South Road, Epsom, Auckland 1051, having membership of Dispute Resolution Scheme, DOES NOT mean that Long Bridge Securities is subject to active regulation or oversight. LongBridge Securities is not licensed by a New Zealand regulator to provide the custodial services.

- 19) If you have a complaint, you should contact us and we will endeavour to quickly and satisfactorily resolve it. For the purpose of this formal complaint procedure, we require you to advise us of any complaint you have, and to provide all supporting documents, in a timely manner.
- 20) We are member of an independent dispute resolution scheme. If your complaint cannot be resolved, or if you decide you do not wish to resolve the dispute with us directly, you have the right referring the matter to the :-
- (i) Financial Dispute Resolution Service  
website: [fdrs.org.nz/contact-us](https://fdrs.org.nz/contact-us)
  - (ii) Financial Markets Authority (FMA)  
Website <https://www.fma.govt.nz/contact/make-a-complaint/>
- 21) If you are investors/clients who are **not** New Zealand residents, the New Zealand regulator or the New Zealand-approved Dispute Scheme is unlikely to be able to help clients outside of New Zealand to resolve a complaint about Long Bridge Securities NZ service.

***As a rule of thumb, you should seek independent professional financial advice.***

***You trade exclusively and entirely at your own risk.***